

# 2014 YEAR-END REPORTING ROUNDTABLE



January 21, 2015  
1:00 P.M.



Information Division  
2013-14 Election Cycle

2014 Year-End Candidate Reporting Roundtable  
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## Objectives

- ▣ **Review reporting schedule and detail reporting requirements for end of 2014 cycle**
- ▣ Review reporting requirements for 2016 cycle; explain how to report financial activity
- ▣ Describe new candidate registration
- ▣ Discuss common reporting errors and disclosure scenarios

### **I. Reporting Schedules and the Importance of Timely Filing**

## Reporting Schedules and the Importance of Timely Filing



- A. Quarterly Filing:** Quarterly filing is mandatory for campaigns (House, Senate, Presidential). Presidential committees are required to file monthly during election years.
1. Authorized committees file quarterly reports in all years, with quarterly reports due April 15, July 15, October 15 and **January 31**.
  2. File pre-election reports in election years.
    - a) File pre-primary (or pre-Convention or pre-runoff if applicable) report due 12 days before election.
    - b) If in general election, file Pre-General report due 12 days before general (i.e., reg./cert. & overnight mailing deadline is 10/20/14 and filing deadline is 10/23/14).
    - c) File Post-General Report, due 30 days after general (i.e., 12/04/14).
    - d) Reporting period always begins the day after close of books of last report filed.

*Tip:* You can find information on reporting deadlines by visiting [http://www.fec.gov/info/report\\_dates.shtml](http://www.fec.gov/info/report_dates.shtml).

## 2014 Quarterly Reporting Schedule

Reports	Coverage Dates	Due Date
April Quarterly	01/01/2014 - 03/31/2014	04/15/2014
July Quarterly	04/01/2014 - 06/30/2014	07/15/2014
October Quarterly	07/01/2014 - 9/30/2014	10/15/2014
Pre-General	10/01/2014 - 10/15/2014	10/23/2014
Post-General	Covers from 1 <sup>st</sup> day of period to 11/24 (10/16 - 11/24)	12/04/2014
<b>Year End</b> (General Election Candidates)	<b>11/25/2014 - 12/31/2014</b>	<b>01/31/2015</b>
<b>Year End</b> (Other Candidates)	<b>10/01/2014 - 12/31/2014</b>	<b>01/31/2015</b>

## 2014 Quarterly Reporting Schedule

Reports	Coverage Dates	Due Date
<b>Year End</b> (General Election Candidates)	11/25/2014 - 12/31/2014	01/31/2015
<b>Year End</b> (Other Candidates)	10/01/2014 - 12/31/2014	01/31/2015

### Committees in the General Election:

Reports	Coverage Dates	Due Date
Year End	11/25/2014 - 12/31/2014	01/31/2015

### Committees NOT in the General Election:

Reports	Coverage Dates	Due Date
Year End***	10/01/2014 - 12/31/2014	01/31/2015

\*\*\* Use the Post-Election Detailed Summary Page on the Year End Report.

## Filing on Time

- ▣ No Extensions
  - Filing dates not extended for weekends or holidays.
  - Must be received on business day preceding filing date.
- ▣ Registered/Certified vs. Overnight Mail
  - If filing using USPS registered/certified mail, keep receipt.
  - “Overnight Mail” means next-day express or priority mail with delivery confirmation or overnight service with online tracking system. Same terms as registered/certified mail. (Keep receipt/tracking number.)

### B. Paper Filers

#### 1. Other Reporting Considerations for Paper Filers

- a) **Statute Prohibits Extensions** (Applicable to Paper and Electronic Filers).
- b) **Weekends and Holidays**

Filing dates not extended for weekends or holidays. Must be filed on or before business day preceding filing date.

c) **Registered vs. Overnight Mail**

- i. If filing using USPS registered mail, keep receipt.
- ii. “Overnight Mail” means next-day express or priority mail with a delivery confirmation or an overnight service with an online tracking system. File using same terms as certified/registered mail (keep receipt/tracking number).

## Administrative Fine Program

- ▣ Civil money penalties for filing late, or not filing at all.
- ▣ Size of fine depends on various factors (including level of financial activity and prior Administrative Fines assessed).
- ▣ Penalty calculator on FEC website at [http://www.fec.gov/af/af\\_calc.shtml](http://www.fec.gov/af/af_calc.shtml)

C. **Administrative Fines Program (AFP) (Guide, pp. 82-83)**

1. **Background**  
Program for assessing civil money penalties for violations for failure to file reports on time and/or at all.
2. **Applies to:**
  - a) Late filers
  - b) Non-filers
  - c) Regulations found at 11 CFR 111.30-111.45
3. **Civil Money Penalties -- Factors in determining:**  
The interaction of several factors will determine the size of the penalty (also see calculator on website at [http://www.fec.gov/af/af\\_calc.shtml](http://www.fec.gov/af/af_calc.shtml)):

## Best Efforts to File on Time

Best efforts\* may be used as a defense for late filing if:

- Committee was prevented from filing report on time by reasonably unforeseen circumstances beyond committee's control and
- Filed the report no later than 24 hours after the end of those circumstances

\*Not the same as best efforts for obtaining contributor information



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- D. Timely Filing/Using Best Efforts** (not the same as “best efforts” for obtaining contributor information)
- 1. Reports required on time;** no extensions.
  - 2. If report not filed on time,** committees may use “best efforts” defense if committee took normal precautions and trained staff, but failure to report was due to circumstances beyond committee's control and the late report was filed within 24 hours after those circumstances ended (pursuant to April 2007 revisions to AFP regulations).

## Best Efforts to File on Time

Committee may use best efforts defense if late filing is due to:

- ☐ Failure of FEC computers/Commission-provided software, despite committee seeking technical assistance from FEC personnel and resources
- ☐ Widespread disruption of information transmissions over internet
- ☐ Severe weather or other disaster-related event



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### 3. When can best efforts defense be used:

- a) Committee may use best efforts defense if failure to report is due to failure of Commission computers or software, despite receiving Commission technical assistance, widespread disruption of information transmissions over the internet, or severe weather or other disaster-related event.



## Best Efforts to File on Time

Committee may not use best efforts defense if late filing is due to:

- ▣ Negligence;
- ▣ Illness, inexperience or unavailability of treasurer or committee staff;
- ▣ Committee computer, software or ISP failures;
- ▣ Delays caused by committee vendors/contractors;
- ▣ Failure to know; or
- ▣ Failure to use filing software properly.



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- b) Committee may not use best efforts defense if failure to report is due to unavailability, inexperience or negligence of staff, counsel or organization, failure of committee's computer system, delays caused by vendors, failure to understand or know the law or failure to use filing software properly.

4. **For more information, review:**  
[http://www.fec.gov/law/cfr/ej\\_compilation/2007/notice\\_2007-7.pdf](http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-7.pdf) (rules)  
and  
[http://www.fec.gov/law/cfr/ej\\_compilation/2007/notice\\_2007-13.pdf](http://www.fec.gov/law/cfr/ej_compilation/2007/notice_2007-13.pdf)  
(policy statement) and the May and July 2007 *Record* issues.

## II. Importance of Responding to Requests for Additional Information



# Importance of Responding to Requests for Additional Information

## RAD Review and Referral Policy

- ▣ RAD reviews according to a policy with confidential thresholds that is approved by the Commission.
- ▣ The Commission reassesses the policy every election cycle with input from RAD and other offices (i.e., OGC).

**A. RAD Review of Reports**

**1. RAD Review and Referral Policy**

- a) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.

## **RAD Review and Referral Policy**

▣ Categories of review include:

- Prohibited, Excessive and Impermissible Contributions
- Mathematical Discrepancies
- Failure to Provide Supporting Schedules
- Improper Itemization of Individual Contributions
- Improper Itemization of Disbursements

▣ RFAI threshold

**2. Categories of Review**

- a) Internal policy contains categories of review the analyst checks, such as: Prohibited, Excessive and Impermissible Contributions, Mathematical Discrepancies, Failure to Provide Supporting Schedules and Failure to Properly Itemize Contributions from Individuals and Disbursements, to name a few.
- b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RFAI).
- c) Thresholds are confidential.

## Review of Reports

- ▣ Thresholds are applied on a per report basis.
  - If recurring issues on multiple reports, committee may receive multiple RFAIs on same topic.
  - RAD does not consider previous responses to RFAIs.
    - Exception: Responses relating to best efforts procedures apply for the two-year election cycle
- ▣ It's possible to see an issue questioned on one report, but not on another.



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3. Review is conducted and thresholds are applied on a per report basis.
  - a) This means a committee may receive a RFAI identifying the same issue already addressed in response to a RFAI referencing a different report.
  - b) Exceptions include outlining Best Efforts procedures which would apply to the two year cycle.
  - c) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.

## Request for Additional Information (RFAI)

- ▣ If internal thresholds are met, analyst sends RFAI; response due date in upper right corner.
- ▣ No extensions granted.
- ▣ Responses are assessed by analysts.
- ▣ Analysts do not reply to committee responses.




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### **B. Request for Additional Information**

1. If internal thresholds are met, an RFAI is sent, with a Response Due Date in the upper right hand corner of the letter. Extensions are not granted. The committee analyst's name and contact telephone number are also provided in the letter.

*Tip:* You can find out the name of your analyst is by visiting:  
<http://www.fec.gov/rad/index.shtml>.

## Request for Additional Information (RAI)

 FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20543

RQ-2

October 25, 2014

MATT WILLIAMS, TREASURER  
BRYCE HARPER FOR CONGRESS  
200 NATIONALS WAY - SUITE 34  
POTOMAC, MD 20800

IDENTIFICATION NUMBER: C00123456

REFERENCE: October Quarterly Report (7/1/2014-9/30/14)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 1 item(s):

- Schedule A of your report discloses one or more contributions that appear to exceed the limits set forth in the Act (see attached).

An individual or a political committee other than an authorized committee or qualified multi-candidate committee may not make a contribution(s) to a candidate for federal office in excess of \$2,600 per election. An authorized committee may not make a contribution(s) to a candidate for federal office in excess of \$2,000 per election. A qualified multi-candidate committee and all affiliated committees may not make a contribution(s) to a candidate for federal office in excess of \$5,000 per election. The term "contribution" includes any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. (2 U.S.C. § 441(a) and (f); 11 CFR § 110.1(b), (e) and (k))

Response Due Date  
**November 29, 2014**

Response  
Due Date

## Request for Additional Information (RAI)

will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number **(202) 694-1166**.

Sincerely,



**Bradley Matheson**  
Senior Campaign Finance Analyst  
Reports Analysis Division

418

Analyst Phone  
Number

Analyst's Name

## RFAIs via Email

- ▣ RAD is now emailing RFAIs.
  - Opt-Out Option: File a Form 99 to request that RFAIs be mailed via USPS.
- ▣ Committees can now disclose up to two email addresses on Form 1.



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## Responding to RFAIs

- ▣ Committee should contact its analyst before and/or after filing a response.
- ▣ Analysts do not make legal conclusions.
- ▣ Analysts do not contact committees in every case when a response is not sufficient.



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2. **Responses are assessed by the analysts and in some cases, team leaders.**
  - a) Analysts do not reply to responses.
  - b) Contact is not made with committees in every case when a response is not sufficient. Further explanation below.

- c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.
- d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).
- e) In some cases, RAD consults with OGC before sending a RFAI and when making a response assessment.

## How to Respond to RFAs

- ▣ File an amendment to add, change or delete actual entries on FEC report.
- ▣ Use miscellaneous text submission (Form 99) for narrative responses that do not affect actual entries within a report (e.g., demonstrating best efforts).

3. **Best way to respond to RFAs depends on type of information that needs to be provided.**
- a) File an **amendment to a report** when changing information that affects entries on a report. This would include additions, changes or deletions.
  - b) File a **Miscellaneous Text Submission (Form 99)** for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for “Best Efforts” in obtaining contributor information.)



## OGC & ADRO Referrals

- ▣ Policy includes thresholds for further Commission action.
- ▣ Adequate and timely responses may be considered.
- ▣ RAD calls committee before referring to OGC or ADRO to explain RFAI and request response.



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- C. Referrals to OGC (Office of General Counsel) and ADRO (Alternative Dispute Resolution Office)**
1. Internal policy includes thresholds for determining whether a matter should be referred to OGC or ADRO.
  2. An adequate response is required by the timeframe given to prevent the matter from being referred.
  3. Committee will receive a phone call from RAD prior to a referral to ADRO or OGC to explain RFAI and request a response.

## Audit Consideration Factors

- ▣ Level of financial activity
- ▣ Responses to RFAs
  - ✓ Late or no response
  - ✓ Inadequate response
- ▣ Election results (Authorized Committees only)
- ▣ Number of amendments filed is NOT a factor.
- ▣ Number of RFAs received is NOT a factor if responses were adequate and timely.



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### D. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division
  - a) Level of financial activity
  - b) Responses to RFAs
    - i. Late or no response
    - ii. Inadequate responses
  - c) **For Authorized Committees only** - Election Results
2. The number of amendments filed is not a factor.
3. The number of RFAs is not a factor if responded to adequately and on time.
4. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAs are returned by the Post Office due to an incorrect mailing address. In addition, RAD began sending RFAs via email in October 2011, so it's important to ensure a valid email address is provided on FEC Form 1. Committees have the option to continue to receive RFAs on paper through the mail and can indicate this preference by filing Form 99.



### III. Reporting Requirements

#### Post-Election Detailed Summary Page

- ▣ ONLY Committees that did not participate in the General Election file this with their Year-End Report
- ▣ Has three columns (A, B, and C)
  - A = activity for this reporting period
  - B = activity from the beginning of the election cycle through the election day (this election cycle)
  - C = activity from the day after the election to the end of the reporting period (next election cycle)
- ▣ Calculating Column B can be tricky
  - $B_{(\text{prior report})} + A_{(\text{this report})} - C_{(\text{this report})} = B_{(\text{this report})}$

**A. The Post-Election Detailed Summary Page**

**1. The Post-Election Detailed Summary Page must be filed with:**

- a) **30-Day Post-General Report** (covering October 16 through November 24) for committees of federal candidates who participated in the 2014 General Election, or
- b) **Year End Report** (covering October 1 through December 31) for committees of federal candidates who did not participate in the 2014 General Election.

**2. Purpose of Post-Election Detailed Summary Page**

The Post-Election Detailed Summary Page splits election cycles apart, and is needed for those reports that cover two election cycles, because the law requires reporting by authorized committees to be done on an election-cycle to date basis.

*(Note: "Election cycle" for the purpose of election cycle to date reporting is defined as the day after the last general election through the day of the general election. For more information, consult the following document:*

*[http://www.fec.gov/law/cfr/ej\\_compilation/2000/2000-15\\_Election\\_Cycle\\_Reporting.pdf](http://www.fec.gov/law/cfr/ej_compilation/2000/2000-15_Election_Cycle_Reporting.pdf)*

**3. The Post-Election Detailed Summary Page has three columns:**

- A = activity from this reporting period.
- B = activity from the beginning of the election cycle through Election Day (this election cycle).
- C = activity from the day after the election to the end of the reporting period (next election cycle).
- Calculating Column B:  
 $B = \text{Column B from previous report} + A - C$

POST-ELECTION DETAILED SUMMARY PAGE		
FEC Form 3 (Revised 07/05)	Report of Receipts and Disbursements	Page 5
<p>• If the candidate participated in the general election, use this form for the 30-day Post-General report.</p> <p>• If the candidate did NOT participate in the general election, use this form for the Year-end report covering through December 31 of the election year (due on January 31).</p> <p>This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.</p>		
<b>A = Activity for this Reporting Period</b>		
<p>Report Covering the Period: From: <span style="border: 1px solid black; padding: 2px;">10 / 01 / 2014</span> To: <span style="border: 1px solid black; padding: 2px;">12 / 31 / 2014</span></p>		
<b>I. RECEIPTS</b>		
<p><b>COLUMN A</b> Total this Period</p>     <p>11. CONTRIBUTIONS (other than loans) FROM:</p> <p>(a) Individuals/Persons Other than Political Committees</p> <p>(i) Itemized (use Schedule A)</p>	<p><b>COLUMN B</b> Election Cycle Total as of</p> <p><span style="border: 1px solid black; padding: 2px;">11 / 04 / 2014</span> (date of general election)</p>	<p><b>COLUMN C</b> Total for</p> <p><span style="border: 1px solid black; padding: 2px;">11 / 05 / 2014</span> (date after general election)</p> <p>through</p> <p><span style="border: 1px solid black; padding: 2px;">12 / 31 / 2014</span> (last day of reporting period)</p>

POST-ELECTION DETAILED SUMMARY PAGE		
FEC Form 3 (Revised 07/05)	Report of Receipts and Disbursements	Page 5
<p>• If the candidate participated in the general election, use this form for the 30-day Post-General report.</p> <p>• If the candidate did NOT participate in the general election, use this form for the Year-end report covering through December 31 of the election year (due on January 31).</p> <p>This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.</p>		
<b>B = Activity from Beginning of Cycle → Election Day</b>		
<p>Report Covering the Period: From: <span style="border: 1px solid black; padding: 2px;">10 / 01 / 14</span> To: <span style="border: 1px solid black; padding: 2px;"></span></p>		
<b>I. RECEIPTS</b>		
<p><b>COLUMN A</b> Total this Period</p>     <p>11. CONTRIBUTIONS (other than loans) FROM:</p> <p>(a) Individuals/Persons Other than Political Committees</p> <p>(i) Itemized (use Schedule A)</p>	<p><b>COLUMN B</b> Election Cycle Total as of</p> <p><span style="border: 1px solid black; padding: 2px;">11 / 04 / 2014</span> (date of general election)</p>	<p><b>COLUMN C</b> Total for</p> <p><span style="border: 1px solid black; padding: 2px;">11 / 05 / 2014</span> (date after general election)</p> <p>through</p> <p><span style="border: 1px solid black; padding: 2px;">12 / 31 / 2014</span> (last day of reporting period)</p>

**POST-ELECTION DETAILED SUMMARY PAGE**  
Report of Receipts and Disbursements

FEC Form 3 (Revised 07/05) Page 5

- If the candidate participated in the general election, use this form for the 30-day Post-General report.
- If the candidate did NOT participate in the general election, use this form for the Year-end report covering through December 31 of the election year (due on January 31).

This form is used in lieu of filling out Line Numbers 6 through 7 on Page 2 (Summary Page) and Pages 3 and 4 (the Detailed Summary Page) for the last report filed by a candidate during the current election cycle.

C = Activity from Day after Election to End of Reporting Period

Report Covering the Period: From: **10 / 01 / 2014** To: **12 / 31 / 2014**

**I. RECEIPTS**

COLUMN A Total this Period	COLUMN B Election Cycle Total as of <b>11 / 04 / 2014</b> (date of general election)	COLUMN C Total for <b>11 / 05 / 2014</b> (date after general election) through <b>12 / 31 / 2014</b> (last day of reporting period)
11. CONTRIBUTIONS (other than loans) FROM: (a) Individuals/Persons Other than Political Committees (i) Itemized (use Schedule A)		

Q3 Report

**I. RECEIPTS**

COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:  (a) Individuals/Persons Other Than Political Committees (i) Itemized (use Schedule A).....	<b>50,000.00</b>

Calculating Column B:  
 60,000 = 50,000 + 15,000 - 5,000

Report Covering the Period: From: **10 / 01 / 2014** To: **12 / 31 / 2014**

**I. RECEIPTS**

COLUMN A Total this Period	COLUMN B Election Cycle Total as of <b>11 / 04 / 2014</b> (date of general election)	COLUMN C Total for <b>11 / 05 / 2014</b> (date after general election) through <b>12 / 31 / 2014</b> (last day of reporting period)
11. CONTRIBUTIONS (other than loans) FROM: (a) Individuals/Persons Other than Political Committees (i) Itemized (use Schedule A)		

15,000.00

60,000.00

5,000.00

## Post-Election Detailed Summary Page

### Common Issues

- ▣ Check your math
- ▣ Use the correct election date
- ▣ Use the PEDSP on the correct report (30G or YE)

### Common Issues for FECFile users

- ▣ Put the new election cycle into your software
- ▣ Use same e-file for new cycle that you did for 2014



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- 4. Post-Election Detailed Summary Page: Common Problems**
- a) Be sure to check your math.
  - b) Use the correct election date.
  - c) Use the Post-Election Detailed Summary Page on the correct report (30G or Year-End).
  - d) For FECFile users: Put the new election cycle into your software (11/5/14 – 11/8/16). Use the same e-file for new cycle that you did previously.

## Objectives

- ▣ Review reporting schedule and detail reporting requirements for end of 2014 cycle
- ▣ **Review reporting requirements for 2016 cycle; explain how to report financial activity**
- ▣ Describe new candidate registration
- ▣ Discuss common reporting errors and disclosure scenarios

## 2015 Reporting Schedule: Quarterly Reports

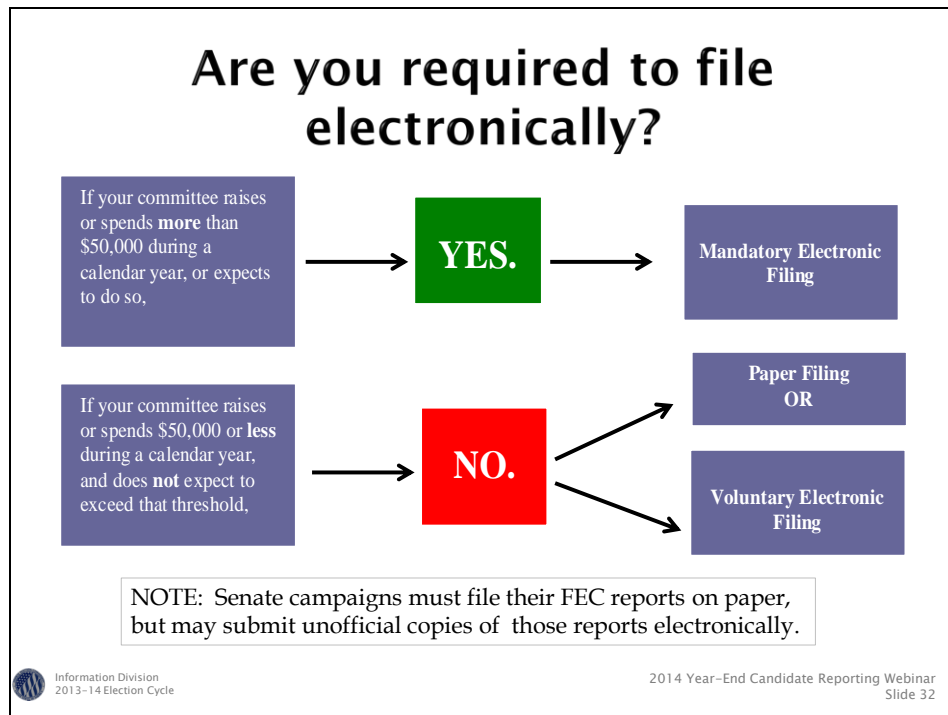
Reports	Coverage Dates	Due Date
April Quarterly	01/01/2015 - 03/31/2015	04/15/2015
July Quarterly	04/01/2015 - 06/30/2015	07/15/2015
October Quarterly	07/01/2015 - 09/30/2015	10/15/2015
Year End	10/01/2015 - 12/31/2015	01/31/2016

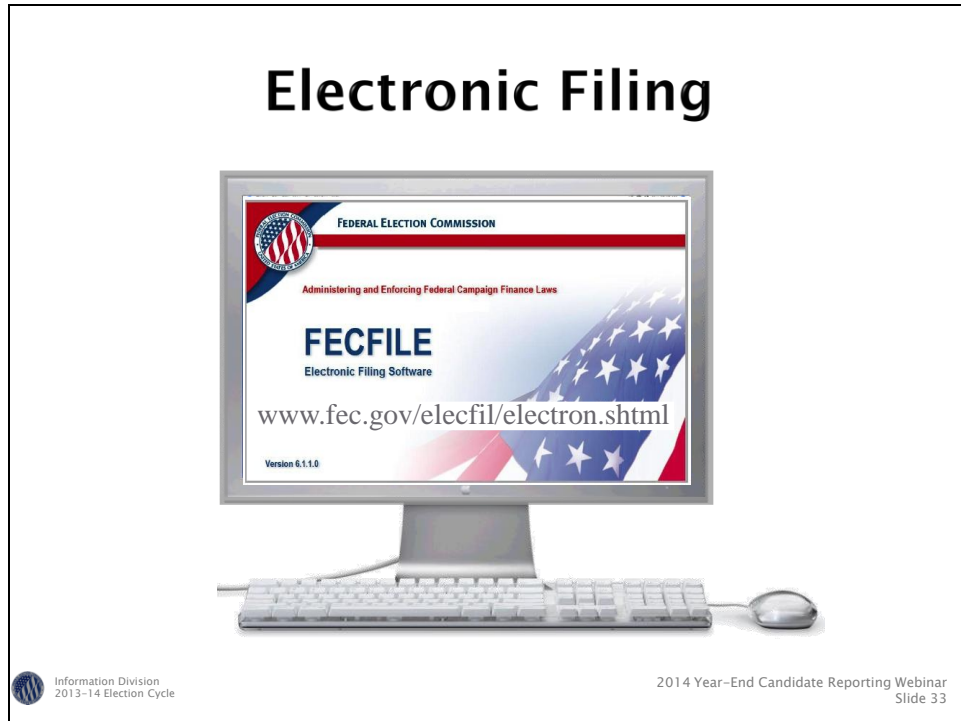
- B. Quarterly Filing** Quarterly filing is mandatory for campaigns (House, Senate, Presidential). Presidential committees are required to file monthly during election years.
3. Authorized committees file quarterly reports in all years, with quarterly reports due April 15, July 15, October 15 and **January 31**.



4. File pre-election reports in election years.
  - a) File pre-primary (or pre-Convention or pre-runoff if applicable) report due 12 days before election.
  - b) If in general election, file Pre-General report due 12 days before general
  - c) File Post-General Report, due 30 days after general
  - d) Reporting period always begins the day after close of books of last report filed.

*Tip:* You can find information on reporting deadlines by visiting [http://www.fec.gov/info/report\\_dates.shtml](http://www.fec.gov/info/report_dates.shtml)





- C. Electronic vs. Paper Reporting** (Campaign Guide for Congressional Candidates and Committees (“Guide”), pp. 83-88)
- 1. Who Must E-File?**  
House campaign committees that raise or spend more than \$50,000 in a calendar year, or that have reason to expect to do so.
  - 2. Who is Exempt from Mandatory E-Filing?**
    - a) Senate campaigns
    - b) All House campaign committees that do not meet the \$50,000 threshold above.
  - 3. Exceeding Threshold for E-Filing**
    - a) Once committee exceeds threshold, it begins filing electronically with the next regular report.
    - b) Committee must continue to file electronically for the next two calendar years (January through December), unless it is a House campaign committee that has \$50,000 or less in net debts outstanding on January 1 following the general election, and that anticipates terminating prior to January 1 of the next election year.
  - 4. Voluntary Filing**
    - a) House campaign committees that aren’t required to e-file, but choose to anyway, must continue to do so for the remainder of the calendar year.
    - b) Senate campaigns must still file paper copy.

- c) New committees with no prior data on which to base calculations have reason to expect to exceed threshold if they either:
- Receive contributions or make expenditures that exceed \$12,500 in first quarter of calendar year, or
  - Receive contributions or make expenditures that exceed \$25,000 in first half of the calendar year.
  - Threshold calculated on a per-committee basis; affiliated committees calculate their own contributions and expenditures separately for purposes of determining if they have met mandatory e-filing threshold.

**5. Paper Filing by E-File**

House campaign committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).

The screenshot shows the Federal Election Commission's website for obtaining electronic filing passwords. The main heading is "Electronic Filing Passwords". Below it, there is a section titled "Who can get a password?" which states that only the official treasurer of a registered committee can obtain a password. Another section, "Registered Committees: How do I get a password?", explains that committee treasurers can create a password using the Electronic Filing Password Request. A yellow box highlights the "Get Started" button, and a black arrow points to it with the text "On-line Password Request". A diagonal banner in the top right corner reads "Electronic Filing Passwords". The page includes a sidebar with links to various resources and a footer with the text "Information Division 2013-14 Election Cycle" and "2014 Year-End Candidate Reporting Webinar Slide 34".

**D. Electronic Filing (Guide, pp. 83-85)**

- 1. Passwords Required** - Before you can electronically file, you will have to obtain a password. You cannot file without one.
- 2. Who Can Get a Password?**
  - Only the treasurer and assistant treasurer(s) listed on the committee's Statement of Organization can get a password.
- 3. How Do You Get a Password?**
  - Online at: <http://www.fec.gov/electfil/passwords.shtml>.
  - Send a password request letter by fax to 202-219-0674. If you can, use campaign letterhead. Items to include in the request:

Committee name, 9 digit FEC ID number (e.g., C00123456), treasurer's name, phone number and signature. You will get your password over the phone.

4. **How Long Does it Take?**
  - a) Online requests are automatic
  - a) Fax requests are usually fulfilled the same day. However, around the filing deadline, it can take longer since it is a busier period.
  - b) We recommend you request your password as early in the process as possible. Try to avoid waiting until the report filing deadline to request one because you may not be able to get one in time to file before the deadline.
5. **The Password is Case-Sensitive.**
6. **Remember your Password** – If your forget it, you will have to request a new one.
7. For more information, visit <http://www.fec.gov/electfil/electron.shtml>.

## FEC Form 3

- ▣ Used by House and Senate filers
- ▣ Cover Page – shows report type/coverage dates
- ▣ Summary Page – overview of receipts and disbursements
- ▣ Detailed Summary Pages – overview of receipts and disbursements by category
- ▣ Schedules – show detailed info by line number

## Detailed Summary Page Receipts



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## Reporting Receipts

- ▣ Itemize regardless of amount:
  - Contributions from party committees/organizations
  - Contributions from other political committees
  - Transfers
  - Loans
- ▣ All other receipts:
  - Itemize once they exceed \$200 when aggregated with other receipts from that same source during an election cycle



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### E. Report Receipts on the Appropriate Line Number

#### 1. Itemize Regardless of Amount:

- a) Contributions from political committees - Line 11b or 11c
- b) Transfers from affiliated authorized committees - Line 12
- c) Loans received – Line 13a or 13b

**2. Threshold for Other Categories**

Itemize all other receipts once they exceed \$200 when aggregated with other receipts from that same source during the election cycle.

## Detailed Summary Page: Disbursements

FEC Form 3 (Revised 02/2003)		
DETAILED SUMMARY PAGE of Disbursements		
Page 4		
II. DISBURSEMENTS	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
17. OPERATING EXPENDITURES.....		
18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES.....		
19. LOAN REPAYMENTS:		
(a) Of Loans Made or Guaranteed by the Candidate.....		
(b) Of All Other Loans.....		
(c) TOTAL LOAN REPAYMENTS (add Lines 19(a) and (b)).....		
20. REFUNDS OF CONTRIBUTIONS TO:		
(a) Individuals/Persons Other Than Political Committees.....		
(b) Political Party Committees.....		
(c) Other Political Committees (such as PACs).....		

## Reporting Disbursements

Itemize regardless of amount:

- Transfers to affiliated committees
- Loan repayments
- Loans made
- Contributions made to other federal candidates
- Refunds to other political committees

All other disbursements:

- Itemize once they exceed \$200 in aggregate during an election cycle

**F. Report Disbursements on the Appropriate Line Number**

**1. Itemize Regardless of Amount:**

- a) Transfers to affiliated authorized committees – Line 18
- b) Loan repayments – Line 19
- c) Refunds made by political party committees – Line 20(b)
- d) Refunds made by other political committees – Line 20(c)
- e) Contributions made to other federal candidates/other political committees – Line 21

**2. Threshold for Other Disbursement Categories**

Itemize all other disbursements once they exceed \$200 when aggregated with other disbursements to the same payee during the election cycle.

## Purpose of Disbursement

- ❑ Rule of thumb: Could reader discern why a payment was made simply by reading the description provided?
- ❑ Non-exhaustive lists available on FEC.gov at:  
<http://www.fec.gov/law/policy.shtml#purpose>

## Purpose of Disbursement

Entry must be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment.

Full Name (Last, First, Middle Initial) <b>A. ABC Group</b>		Date of Disbursement 11 / 15 / 2014	
Mailing Address <b>123 Money Lane</b>		Amount of Each Disbursement this Period <b>10,000.00</b>	
City <b>City</b>	State <b>ST</b>	Zip Code <b>00000</b>	
Purpose of Disbursement <b>FEC Compliance Consulting</b>		Category/Type	
Candidate Name			
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State:	District:		

### G. Purpose of Disbursement

1. FEC regulations require that the “purpose of disbursement” entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).
2. Policy statement includes non-exhaustive lists of acceptable and unacceptable “purpose of disbursement” descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a general guideline, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. List is updated periodically and made available online at <http://www.fec.gov/law/policy.shtml#purpose>.



## Avoid Common Mistakes

- ▣ Check for math errors
- ▣ Include all required schedules, all information
- ▣ Provide all information required by schedule
- ▣ Consult form instructions available on FEC.gov
- ▣ Designate contributions
- ▣ Only enter contributors into reporting software once to avoid aggregation problems
- ▣ Ensure correct committee name disclosed for contributions made/received



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### **H. Avoiding Common Mistakes**

1. Check for math errors.
2. Include all appropriate schedules.
3. Provide all information required by schedule. Consult form instructions available on our website at <http://www.fec.gov/info/forms.shtml>.
4. Designate all contributions. If not designated, contribution is applied towards next election and may result in excessive contribution. Also indicate year of election and check Primary or General. If Special, Runoff, Convention or Recount election, check “Other” and also include election type & year (e.g., “Special General 2015”).
5. Avoid accidentally entering contributors multiple times into the committee’s reporting software program. This causes aggregation problems as well as excessive contributions to be reported.
6. Ensure the correct committee name is disclosed for contributions received/made. Using an incorrect committee name creates data entry problems and errors on the public record. Disclosing the FEC ID # of the contributor/recipient committee will help avoid mistakes.

## Best Practices: Reporting

- ❑ Respond completely to RFAs by deadline specified.
- ❑ Contact your analyst to clarify questions and issues! The analyst can assist prior to the report being amended or if you are unsure what is wrong.
- ❑ Consult most recent lists of inadequate/adequate purposes and use rule of thumb.

### **I. Best Practices**

1. Respond completely to all RFAs by the deadline specified.
2. Contact your analyst to clarify questions and issues. Please contact the analyst if you are unsure of what is wrong. The analyst can assist prior to the report being amended.
3. Consult most recent copy of inadequate/adequate purpose lists and use rule of thumb. <http://www.fec.gov/law/policy.shtml#purpose>

## Beginning-of-Cycle Reporting Reminders

- ▣ Use the correct reporting schedule
- ▣ File a Post-Election Detailed Summary Page with the correct report (2014 30G or YE)
- ▣ Enter the correct election cycle into your software
- ▣ Remember to file a new Statement of Candidacy (Form 2)



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## Contact Information

- ▣ Ensure current contact information (mailing address, email address, and phone number) appear on Statement of Organization (FEC Form 1)
- ▣ Up to two email addresses may be listed



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## Statement of Organization

The image shows a sample of the FEC Form 1, 'Statement of Organization'. Two red arrows point to specific fields: the top arrow points to the 'ADDRESS (number and street)' field, and the bottom arrow points to the 'COMMITTEE'S E-MAIL ADDRESS' field. Both fields are highlighted with a yellow background and contain the text 'Provide current' followed by the field name. The form includes a header with 'FEC FORM 1' and 'STATEMENT OF ORGANIZATION'. Below the header, there is a section for 'NAME OF COMMITTEE (in full)' with a checkbox for '(Check if name is changed)' and an example of how to type over lines. The 'ADDRESS' section includes fields for 'CITY', 'STATE', and 'ZIP CODE'. The 'COMMITTEE'S E-MAIL ADDRESS' section includes a checkbox for '(Check if address is changed)' and an 'Optional Second E-Mail Address' field.

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### J. Statement of Organization (11 CFR 102.1(d) and 102.2)

#### 1. Name and Address of Committee

- a) Use Committee's Official Name on:
  - i. FEC reports and statements.
  - ii. Disclaimer notices for public advertising.
- b) Street Address, Email, Website
  - i. Email required for electronic filers; necessary to receive RFAIs, FEC report notices, and other courtesy materials. Up to two email addresses can now be provided (both will be used for emailing RFAIs).
  - ii. URL required if committee has web page.

## Statement of Organization

FORM 1:			
4. IS THIS STATEMENT	<input type="checkbox"/>	NEW (N)	OR <input checked="" type="checkbox"/> AMENDED (A)

FORM 3:			
3. IS THIS REPORT	<input type="checkbox"/>	NEW (N)	OR <input checked="" type="checkbox"/> AMENDED (A)

### 2. Amendments

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

## RAD FAQs Web Page

**Click here**

**FEDERAL ELECTION COMMISSION**

**Reports Analysis Division**

**REPORTS ANALYSIS DIVISION MISSION STATEMENT**

The ultimate mission of the Reports Analysis Division (RAD) is to ensure that campaigns and political committees file timely and accurate reports that fully disclose their financial activities. RAD is responsible for reviewing statements and financial reports filed by political committees participating in Federal elections, providing assistance and guidance to the committees to properly file their reports, and for taking appropriate action to ensure compliance with the FECA. By enforcing the rules in a fair and objective manner, RAD fosters the electorate's faith in the ultimate integrity of the nation's political process.

The Reports Analysis Division is composed of 38 analysts tasked with reviewing approximately 50,000 financial reports per year. Each analyst is assigned 200-400 committees and is available to assist committee representatives over the phone on a daily basis. The division assists committees officials in complying with reporting requirements and conducts detailed examinations of financial reports.

**Helpful Links to General Questions:**

- Reporting and Filing Information

<http://www.fec.gov/rad/index.shtml>

## RAD FAQs Web Page

### Helpful Links to General Questions:

- [Reporting and Filing Information](#)
- [Requests for Additional Information \(RAIs\)](#)
- [Late Filing and Other Enforcement Penalties](#)
- [Electronic Filing and Passwords](#)
- [Images of Campaign Finance Reports](#)
- [Best Practices to Avoid Pitfalls](#)

For more information about specific committee types and compliance topics use the links below:



<a href="#">Candidate Committees</a>	<a href="#">Party Committees</a>	<a href="#">PACs</a>	<a href="#">RAD Processes</a>	<a href="#">Other Filers</a>	<a href="#">Training and Conferences</a>
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### Contact Us:

The FEC is available to assist you via telephone Monday - Friday 8:00am - 5:30pm EST.

- To contact your campaign finance analyst with reporting questions: Call (202)-694-1130 to reach the Reports Analysis Division.
- For members of the public with general questions about campaign finance: Call (202)-694-

<http://www.fec.gov/rad/index.shtml>



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## IV. New Candidate Registration

### Objectives

- ❑ Review reporting schedule and detail reporting requirements for end of 2014 cycle
- ❑ Review reporting requirements for 2016 cycle; explain how to report financial activity
- ❑ **Describe new candidate registration**
- ❑ Discuss common reporting errors and disclosure scenarios



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## Candidate Registration

- ▣ Candidates are required to register and report when they raise/spend more than \$5,000
- ▣ Money raised/spent to “test the waters,” or explore if it is feasible to run for office, does not count toward the \$5,000 threshold until a candidate decides to run or begins actively campaigning



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### A. Candidate Registration

#### 1. Testing the Waters

- a) Individuals can “test the waters,” or explore if it is feasible to run for office, by conducting activities such as polling, making phone calls, or traveling around the district, and raising money to pay for this activity under the federal contribution limits.
- b) Individuals conducting solely “testing the waters” activity are not required to register and report, even if they raise/spend more than \$5,000.
- c) Examples of campaigning:
  - i. Making or authorizing statements referring to yourself as a candidate (“Smith in 2014” or “Smith for Senate”).
  - ii. Using general public political advertising to publicize your intention to campaign.
  - iii. Raising more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established.
  - iv. Conducting activities over a protracted period of time or shortly before the election.
  - v. Taking action to qualify for the ballot.

## Reporting Exploratory Activity

- ▣ Once an individual becomes a candidate, funds raised or spent to test the waters apply to the \$5,000 threshold.
- ▣ All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date should be the date of first financial activity).





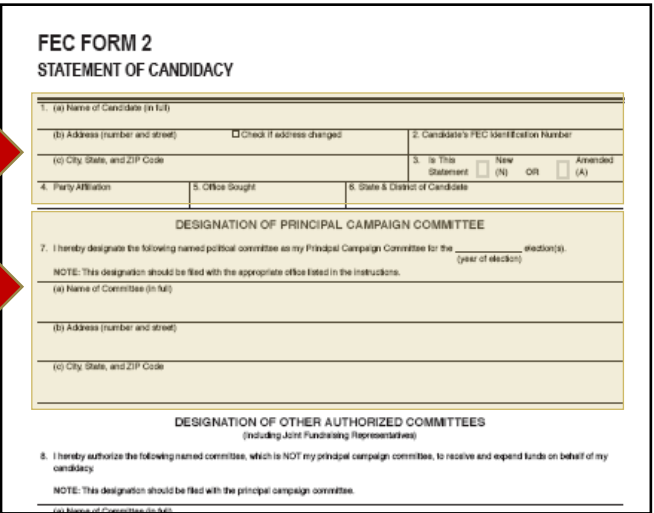
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- d) Once an individual becomes a candidate, funds raised or spent to test the waters apply to the \$5,000 threshold. All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date of the report should be the date of first financial activity).



# Candidate Registration



**FEC FORM 2**  
**STATEMENT OF CANDIDACY**

1. (a) Name of Candidate (in full)  
(b) Address (number and street) ☐ Check if address changed  
(c) City, State, and ZIP Code

2. Candidate's FEC Identification Number

3. Is This Statement ☐ New (N) OR ☐ Amended (A)

4. Party Affiliation

5. Office Sought

6. State & District of Candidate

**DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE**

7. I hereby designate the following named political committee as my Principal Campaign Committee for the \_\_\_\_\_ election(s).  
(year of election)

NOTE: This designation should be filed with the appropriate office listed in the instructions.

(a) Name of Committee (in full)  
(b) Address (number and street)  
(c) City, State, and ZIP Code

**DESIGNATION OF OTHER AUTHORIZED COMMITTEES**  
(including Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)

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2. **FEC Form 2**  
File Statement of Candidacy (FEC Form 2) within 15 days after candidate raises/spends \$5,000.
3. **Requirements**  
Candidates must remember to fill out their name, mailing address, if the statement is new or an amendment, party affiliation, office sought, state and district, the designation of their principal campaign committee and the election year.

## Committee Registration

**FEC FORM 1**      **STATEMENT OF ORGANIZATION**

1. NAME OF COMMITTEE (in full) **Include candidate's name in PCC's name**

ADDRESS (number and street)

☐ (Check if address is changed)

CITY      STATE      ZIP CODE

COMMITTEE'S E-MAIL ADDRESS (Please provide only one e-mail address) **Email required for all committees**

☐ (Check if address is changed)

COMMITTEE'S WEB PAGE ADDRESS (URL)

☐ (Check if address is changed)

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## **B. Committee Registration**

### **1. FEC Form 1**

File Statement of Organization (FEC Form 1) within 10 days of establishment.

### **2. Requirements**

Committees must include their e-mail address. It is important to have a current email address on Form 1 to receive courtesy reporting reminders.


### **3. Amendments**

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

### **4. Name and Address of Committee**

- a) Use Committee's Official Name on:
  - i. FEC reports and statements.
  - ii. Disclaimer notices for public advertising.
- b) Street Address, Email, Website
  - i. Email required for electronic filers; necessary to receive RFAIs, FEC report notices, and other courtesy materials.
  - ii. URL required if committee has web page.

## Committee Registration



FEC Form 1 (Revised 02/2009) Page 2

5. TYPE OF COMMITTEE

**Candidate Committee:**

(a) ☒ This committee is a principal campaign committee. (Complete the candidate information below.)

(b) ☐ This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate \_\_\_\_\_

Candidate Party Affiliation \_\_\_\_\_ Office Sought: ☐ House ☐ Senate ☐ President State \_\_\_\_\_ District \_\_\_\_\_

(c) ☐ This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate \_\_\_\_\_

**Party Committee:**

(d) ☐ This committee is a \_\_\_\_\_ (National, State or subordinate) committee of the \_\_\_\_\_ (Democratic, Republican, etc.) Party.

**Political Action Committee (PAC):**

(e) ☐ This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization

☐ Membership Organization ☐ Trade Association ☐ Cooperative

☐ In addition, this committee is a Lobbyist/Registrant PAC.

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5. **Type of Committee**  
Fill in name of candidate, party affiliation and state and district information.

**6. Treasurer**

Designate a treasurer for your campaign committee

**7. Bank Depository**

Fill in information about the banking institution that houses the campaign committee's account

## Committee Registration

**8. Treasurer:** List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer \_\_\_\_\_

Mailing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ CITY STATE ZIP CODE

Title or Position \_\_\_\_\_ Telephone number \_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_

**9. Banks or Other Depositories:** List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc. \_\_\_\_\_

Mailing Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ CITY STATE ZIP CODE

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**V. Reporting Scenarios**

# SCENARIO #1

## NET DEBTS OUTSTANDING

## Retiring Debt

In limited circumstances, campaigns may solicit contributions to help retire debt; however:

- You must have Net Debts Outstanding for election
- Contributions must be designated
- Contributions count against donor's limit for the election for which the debt was incurred
- Amount raised cannot exceed Net Debts Outstanding calculation

## Net Debts Outstanding

- ▣ Calculation helps compare what you raised and spent in a particular election to the debts outstanding for that election
- ▣ To do this, you need your committee's:
  - Total receipts for a particular election
  - Total disbursements for that election
  - Outstanding obligations owed for that election
  - Estimated cost of winding down



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## Net Debts Outstanding

- ▣ Net debts outstanding is amount committee can raise to retire debt; adjusted continuously
- ▣ Terminating committees may add the cost of winding down



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## Net Debts Outstanding



## Scenario #1: Net Debts

After the general election, Joe for Congress has a \$50,000 outstanding debt from a last-minute media buy. They raised \$400,000 in general election contributions and spent \$375,000 on the general election campaign.

Can they raise additional contributions to retire their outstanding debt from the media buy?

**Scenario #1 – Net Debts Outstanding** (*Guide*, p. 25)

After the general election, Joe for Congress has a \$50,000 debt from a last-minute media buy. The committee raised \$400,000 in general election contributions and spent \$375,000 on the general election campaign.

- 1. How does the committee figure out if they can raise money after the election to retire debt for that election?**
  
  
  
  
  
  
  
  
  
  
- 2. Can Joe for Congress raise net debts outstanding for the general election?**
  
  
  
  
  
  
  
  
  
  
- 3. Key Issues?**




**Scenario #1 Answers:**

## Scenario #1: Net Debts

Receipts – Disbursements = Cash on Hand

Debts – Cash on Hand = Net Debts



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**1. How does the committee figure out if they can raise money after the election to retire debt for that election?**

**Answer:** The committee must calculate their net debts outstanding. To do this the committee will need their receipts, disbursements, and debts for a particular election. They will use this information to:

- Calculate their cash on hand for a particular election  
*(receipts for a particular election – disbursements for that same election = cash on hand for that election)*
- Calculate their net debts outstanding for a particular election  
*(debts for a particular election – cash on hand for that particular election = net debts outstanding for that particular election)*
- Terminating committees can add the estimated cost of winding down to their debts for a particular election.

**2. Can Joe for Congress raise net debts outstanding for the general election?**

**Answer:** Yes. The committee should calculate their general election net debts as follows:

- General election cash on hand = \$25,000  
*(receipts for a particular election (\$400,000) – disbursements for that same election (\$375,000) = cash on hand for that election (\$25,000))*
- General election net debts = \$25,000  
*(debts for a particular election (\$50,000) – cash on hand for that particular election (\$25,000) = net debts outstanding for that particular election \$25,000)*

- Since the net debt calculation is positive (the committee has more general election debt than general election cash on hand), the committee can accept \$25,000 in contributions after the general election that are designated for the general.

## Scenario #1: Net Debts

- ▣ Joe for Congress can raise \$25k in general election contributions to retire debt
- ▣ Committee must recalculate its net debts outstanding as it receives additional contributions and spends funds on the election for which the debt remains



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### 3. Key Issues?

- When calculating net debts outstanding, be sure to use receipts, disbursements, and debts incurred for a particular election (for example, the general election).
- If a committee has net debts outstanding after an election is over, a campaign may accept contributions after the election to retire the debts provided that:
  - The contribution is designated for that election (since an undesignated contribution after an election counts toward the limit for the candidate's upcoming election);
  - The contribution does not exceed the contributor's limit for the designated election; and
  - The campaign has net debts outstanding for the designated election on the day it receives the contribution.
- A campaign first calculates its net debts outstanding on the day of the election. Thereafter, the campaign continually recalculates its total net debts outstanding as addition funds are received for, or spent on, the election for which the debt remains.
- If on the same day, a campaign receives several contributions that, together, exceed the amount needed to retire debts, the campaign may:
  - Accept a proportionate amount of each contribution and either refund the remaining amount or ask contributors to redesignate the excessive portions for another election; or
  - Accept some contributions in full and either return or refund the others or seek redesignation for them.

# SCENARIO #2

## TERMINATING A COMMITTEE

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## Terminating a Committee

Eligible if the committee:

- ▣ No longer intends to raise/spend money
- ▣ Has no outstanding debts or obligations
- ▣ Is not involved in ongoing audit, enforcement, or litigation



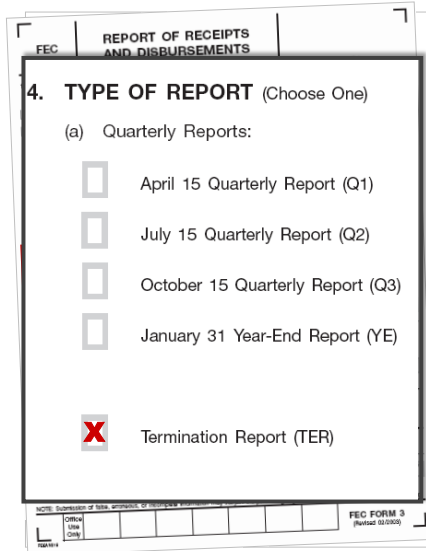
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## Terminating a Committee

- **To be Eligible for Termination:** A committee must no longer intend to receive contributions, make expenditures or make any disbursements that would otherwise qualify it as a political committee. Also, a committee involved in an FEC enforcement action, FEC audit or litigation with the FEC must continue to file regularly-scheduled reports until the matter is resolved. When a campaign committee wishes to terminate, it must file a Termination Report.

# Termination Report



**REPORT OF RECEIPTS AND DISBURSEMENTS**

**4. TYPE OF REPORT (Choose One)**

(a) Quarterly Reports:

☐ April 15 Quarterly Report (Q1)

☐ July 15 Quarterly Report (Q2)

☐ October 15 Quarterly Report (Q3)


☐ January 31 Year-End Report (YE)

☒ Termination Report (TER)

NOTE: Submission of this report, without a corresponding termination statement, constitutes a violation of the law.

Official Use Only

FEC FORM 3 (Revised 02/09/09)



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- **How to File a Termination Report:** Committees file a Termination Report by selecting the Termination Report Box on Line 4 of Form 3's Cover Page.

## What to Report

Your termination report must include:

- All receipts & disbursements not yet reported
- An accounting of debt retirement (if the committee has debt outstanding)
- The purpose for which any leftover campaign funds will be used

## Tips for Termination

- ▣ Reduce cash on hand to \$0
- ▣ Remedy outstanding excessive contributions
- ▣ Pay or resolve outstanding obligations
- ▣ Send signed candidate loan forgiveness letter
- ▣ Correct outstanding issues cited in RFAs

## File until Terminated



Remember, you must continue to file reports until  
you receive a letter from the FEC stating that your  
filing requirement has been terminated

Failure to do so may result in Administrative Fines

- **What to File**
  1. Previously unreported receipts and disbursements.
  2. An accounting of debt retirement or settlement.
  3. Purpose for which any remaining committee funds will be used.

**Scenario #2 – Terminating** (*Guide*, pp. 119-123)

**Example A**

The treasurer for Friends of Keller is winding down the committee and wants to terminate as soon as possible. He is reviewing the committee and is trying to determine whether or not he should file a termination report. The committee:

- Has no outstanding debts or loans;
- Reduced their cash on hand to \$0 by donating all remaining cash on hand to charity;
- Is no longer receiving contributions or making expenditures; and
- Is currently involved in an audit from a previous election cycle.


**1. Is this committee a good candidate for termination?**

**Scenario #2, Example A Answer:**

## Scenario #2: Terminating

### Example A

- ✓ No outstanding debts or loans
- ✓ Donated all remaining cash on hand to charity
- ✓ No longer receiving contributions or making expenditures
- ✗ Involved in an audit from previous election cycle

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**1. Is this committee a good candidate for termination?**

**Answer:** No. The committee properly took care of their outstanding obligations, brought their cash on hand down to \$0, and is no longer receiving contributions or making expenditures. Facts 1-3 allow the committee to be eligible for termination. However, the committee is involved in an FEC audit (fact 4). Committees involved in further action with FEC departments such as Audit, Office of General Counsel, Alternative Dispute Resolution Office, and the Administrative Fines program are usually ineligible for termination.



**Scenario #2 – Terminating** (*Guide*, pp. 119-123)

**Example B**

The treasurer for Sandy for Senate is also winding down her committee and plans to terminate. When she reviews the committee's filings, she sees that the committee:

- Had an outstanding candidate loan of \$100,000 that has been forgiven;
- Has cash on hand of \$25,000;
- Has \$15,000 outstanding debt owed by the committee; and
- Responded adequately to all of the RFAs that their campaign finance analysts sent.


**1. Is this committee a good candidate for termination?**

**Scenario #2, Example B Answer:**

## Scenario #2: Terminating

### Example B

- ✓ Candidate loan of \$100,000 forgiven
- ✗ Cash on hand of \$25,000
- ✗ Outstanding debt of \$15,000
- ✓ Responded adequately to all RFAs

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**1. Is this committee a good candidate for termination?**

**Answer:** No. The candidate forgave the outstanding loan, and the Commission verified candidate submitted a signed letter of forgiveness. The committee also responded to all of their RFAs that their analyst sent. However, their outstanding cash on hand and outstanding debt would prevent them from terminating.

## SCENARIO #3


# TESTING THE WATERS

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## Should you run?

- ▣ Individuals can “test the waters,” or explore if it is feasible to run for office by:
  - Conducting activities such as polling, making phone calls, or traveling around the district; and
  - Raising money to pay for this activity under the federal contribution limits.
- ▣ Individuals conducting solely “testing the waters” activity are not required to register and report, even if they raise/spend more than \$5,000.

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## You are campaigning if you...

- ▣ Make or authorize statements that refer to you as a candidate (“Smith in 2016” or “Smith for Senate”)
- ▣ Use general public political advertising to publicize your intention to campaign
- ▣ Raise more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established
- ▣ Conduct activities over a protracted period of time or shortly before the election
- ▣ Take action to qualify for the ballot



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## Reporting Exploratory Activity

If you begin to campaign or decide to become a candidate, funds that were raised or spent to test the waters apply to the \$5,000 threshold for qualifying as a candidate.

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You will have to report to the FEC all money raised and spent in your exploratory period.



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**Scenario #3 – Testing the Waters** (*Guide*, p. 1)

**Example A**

**Scenario #3:  
Testing the Waters**

Sally Johnson spends \$12,000 of her own money to pay for polling to determine if she would be a viable Senate candidate in 2016.

- Is she a candidate?
- What does she need to file with the FEC?
- Does she have to follow contribution limits?

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On March 25, 2015, Sally Johnson, a respected and well-known business leader, spends \$12,000 of her own money to pay for polling in order to determine if she is a viable Senate candidate in 2016. As her friend and close advisor, you ensure that her poll is carefully worded and in no way insinuates that she is running.

- 1. Is Sally considered a candidate for 2016?**
- 2. What does she need to file with the FEC?**
- 3. Does she have to follow the federal contribution limits?**

**Scenario #3, Example A Answers:**

**1. Is Sally considered a candidate for 2016?**

**Answer:** No, Sally is not a candidate for 2016. Even though she spent over the \$5,000 threshold for candidacy, her activity is solely exploratory and she is not a candidate even if she raises or spends more than \$5,000.

**2. What does she need to file with the FEC?**

**Answer:** During her exploratory period, she is not required to register or report with the Commission.

**3. Does she have to follow the federal contribution limits?**

**Answer:** Yes, Sally must follow federal contribution limits. Any activity during an exploratory committee is reportable once she becomes a candidate for federal office. This means that all money raised must be raised according to the contribution limits.

**Scenario #3 – Testing the Waters** (*Guide*, p. 1)

**Example B**


**Scenario #3:  
Testing the Waters**

After favorable polling, Sally has a radio interview and ends the interview by urging listeners to “Send Sally in 2016!” Now what?

Is she a candidate?

What does she need to file with the FEC?

What does she need to report?



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After receiving favorable polling results, Sally gets excited. On April 5<sup>th</sup>, she impulsively ends an important radio interview by urging listeners to “Send Sally in 2016!” She calls you later that day to tell you that she is running for Senate. Since you are well-versed in campaign filing requirements, she asks you what she needs to do now.

- 1. Is Sally now considered a candidate for 2016?**
- 2. What does she need to file with the FEC?**
- 3. What does she need to file on the first report?**

### Scenario #3, Example B Answers:

#### 1. Is Sally now considered a candidate for 2016?

**Answer:** Before the radio announcement, she was testing the waters. Now that she has made statements referring to herself as a candidate, she is no longer testing the waters. Since she has already spent over \$5,000, she is immediately considered a candidate.

#### 2. What does she need to file with the FEC?

**Answer:** You advise Sally that she needs to register as a candidate by filing an FEC Form 2 and authorize a Principal Campaign Committee by filing the FEC Form 1.

#### 3. What does she need to file on the first report?

**Answer:** Sally became a candidate on April 5, 2015. This means her first report will be the 2015 July Quarterly Report, which usually covers activity from 4/1/2015-6/30/2015. However, you remind Sally that she still has to report her exploratory activity, and this includes any contributions she raised, any money she fronted, and any expenditures she made. You tell her that since the July Quarterly will be her first report and some of her exploratory activity happened outside of those coverage dates, she should extend the beginning coverage date to include her first date of financial activity.

## Sally's First FEC Report

<b>4. TYPE OF REPORT</b> (Choose One)	
(a) Quarterly Reports:	
<input type="checkbox"/> April 15 Quarterly Report (Q1)	<input checked="" type="checkbox"/> July 15 Quarterly Report (Q2)
<input type="checkbox"/> October 15 Quarterly Report (Q3)	<input type="checkbox"/> January 31 Year-End Report (YE)
<input type="checkbox"/> Termination Report (TER)	
<b>3/25/2015</b>	
(b) 12-Day PRE-Election Report for the:	
<input type="checkbox"/> Primary (12P)	<input type="checkbox"/> General (12G)
<input type="checkbox"/> Convention (12C)	<input type="checkbox"/> Special (12S)
Election on <input type="text"/> / <input type="text"/> / <input type="text"/> in the State of <input type="text"/>	
(c) 30-Day POST-Election Report for the:	
<input type="checkbox"/> General (30G)	<input type="checkbox"/> Runoff (30R)
<input type="checkbox"/> Special (30S)	
Election on <input type="text"/> / <input type="text"/> / <input type="text"/> in the State of <input type="text"/>	
Covering Period <span style="border: 2px solid red; border-radius: 50%; padding: 2px;">04 / 01 / 2015</span> through <span style="border: 1px solid black; padding: 2px;">06 / 30 / 2015</span>	



## **SCENARIO #4**

# **CANDIDATE LOANS FROM PERSONAL FUNDS**

## **Candidate Loans from Personal Funds**

- ▣ Acceptable sources
  - Assets
  - Income
  - Interest/Dividends
  - Bequests
- ▣ Unlimited amount
- ▣ Repayment and forgiveness options

## Candidate Loans from Personal Funds

- ▣ On which schedules should personal funds loans be reported?
  - Schedule A: Receipt of a loan.
  - Schedule B: Loan repayments.
  - Schedule C: Continuously reporting loans until they are fully paid or forgiven.

**Scenario #4 – Candidate Loan from Personal Funds**  
(Guide, pp. 91 and 103-106)

## Scenario #4 Answers:

1. **How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**

**Answer:** The definition of contribution includes loans, so it must be treated as such; but, as a loan, there are additional reporting requirements. Since it came from the candidate, no contribution limit applies.

The funds are disclosed as a loan from the candidate to the campaign committee. Also, since the candidate is treating this contribution as a loan, the committee must disclose the terms of the loan from the first time it is disclosed.

**Report loan as contribution:** Show reporting on Schedule A for Line 13(a). The Date of Receipt is the date the money is received by the campaign committee; include notation in Receipt this Period box indicating "personal funds."

## Scenario #4: Candidate Loan from Personal Funds

### Receipt - Schedule A, Line 13(a)

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		FOR LINE NUMBER: (check only one)	PAGE OF
Use separate schedule(s) for each category of the Detailed Summary Page		<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d	<input type="checkbox"/> 12
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.		<input type="checkbox"/> 12 <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b <input type="checkbox"/> 14 <input type="checkbox"/> 15	
NAME OF COMMITTEE (In Full) <b>Arthur Fonzarelli for Congress</b>			
Full Name (Last, First, Middle Initial) <b>A. Arthur Fonzarelli- [Personal Funds]</b>		Date of Receipt MM / DD / YYYY <b>01 / 10 / 2015</b>	
Mailing Address <b>709 Main Street</b>		Amount of Each Receipt this Period <b>50,000.00</b>	
City <b>Anytown</b> State <b>US</b> Zip Code <b>12345</b>			
FEC ID number of contributing federal political committee <b>C</b>			
Name of Employer <b>Self</b> Occupation <b>Attorney</b>			
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) <b>2016</b>		Election Cycle-to-Date <b>50,000.00</b>	

**Report terms of the loan:** Show reporting on Schedule C for Line 13(a). The Loan Source is the candidate. Also include notation indicating “personal funds.”

## Scenario #4: Candidate Loan from Personal Funds

### Loan Reporting – Schedule C, Line 13(a)

<b>SCHEDULE C (FEC Form 3)</b>		Use separate schedule(s) for each category of the Detailed Summary Page	PAGE OF
<b>LOANS</b>		FOR LINE NUMBER: (check only one)	<input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) <b>Arthur Fonzarelli for Congress</b>			
LOAN SOURCE Full Name (Last, First, Middle Initial) <b>Arthur Fonzarelli- [Personal Funds]</b>		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
Mailing Address <b>709 Main Street</b>			
City <b>Anytown</b>	State <b>US</b>	ZIP Code <b>12345</b>	
Original Amount of Loan <b>50,000.00</b>	Cumulative Payment To Date <b>0.00</b>	Balance Outstanding at Close of This Period <b>50,000.00</b>	
TERMS		Secured:	
Date Incurred <b>01 / 10 / 2015</b>	Date Due <b>12 / 31 / 2016</b>	Interest Rate <b>0</b> % (apr)	<input type="checkbox"/> Yes <input type="checkbox"/> No
List All Endorsers or Guarantors (if any) to Loan Source			
1. Full Name (Last, First, Middle Initial)		Name of Employer	
Mailing Address		Occupation	
City	State	ZIP Code	Amount Guaranteed Outstanding

### 2. How should the committee show a repayment of \$5,000 towards a personal funds loan?

**Answer:** Show the total amount repaid by the committee to the candidate in the “Cumulative Payment To Date” field. The “Balance Outstanding at Close of This Period” should show only the remaining portion of the outstanding loan (“Original Amount of Loan” – “Cumulative Payment to Date” = “Balance Outstanding at Close of This Period”).

- For candidate loans, repayments of the loan principal should be reported on Line 19(a) (“Repayments of Loans Made or Guaranteed by the Candidate”) of the Detailed Summary Page.
- If the candidate charges interest on a personal funds loan, interest payments should be reported on Schedule B supporting Line 17 (“Operating Expenditures”) of the Detailed Summary Page.
  - Interest incurred but not paid should be disclosed on Schedule D.
- Non-candidate loans made to the committee by a financial institution should be reported on Line 19(b) (“Repayments of All Other Loans”) of the Detailed Summary Page.

## Scenario #4: Candidate Loan from Personal Funds

### Loan Repayment – Schedule B, Line 19(a)

<b>SCHEDULE B (FEC Form 3)</b> <b>ITEMIZED DISBURSEMENTS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input type="checkbox"/> 17 <input type="checkbox"/> 18 <input checked="" type="checkbox"/> 19a <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21	PAGE OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (In Full) <b>Arthur Fonzarelli for Congress</b>				
A. Full Name (Last, First, Middle Initial) <b>Arthur Fonzarelli [Personal Funds]</b>		Date of Disbursement MM / DD / YYYY <b>03 / 15 / 2015</b>		
Mailing Address <b>709 Main Street</b>		Amount of Each Disbursement this Period <b>5,000.00</b>		
City <b>Anytown</b> State <b>US</b> Zip Code <b>12345</b>		Purpose of Disbursement <b>Candidate Loan Payment</b>		
Candidate Name		Category/Type <input type="checkbox"/> Refund or Disposal of Excess Contributions Required Under 11 C.F.R. 400.53		
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) <b>2016</b>			
State:	District:			

## Scenario #4: Candidate Loan from Personal Funds

### Loan Repayment – Schedule C, Line 13(a)

<b>SCHEDULE C (FEC Form 3)</b> <b>LOANS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b	PAGE OF
NAME OF COMMITTEE (In Full) <b>Arthur Fonzarelli for Congress</b>				
LOAN SOURCE: Full Name (Last, First, Middle Initial) <b>Arthur Fonzarelli [Personal Funds]</b>		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
Mailing Address <b>709 Main Street</b>				
City <b>Anytown</b> State <b>US</b> ZIP Code <b>12345</b>				
Original Amount of Loan <b>50,000.00</b>	Cumulative Payment To Date <b>5,000.00</b>	Balance Outstanding at Close of This Period <b>45,000.00</b>		
TERMS Date Incurred MM / DD / YYYY <b>01 / 10 / 2015</b>		Date Due MM / DD / YYYY <b>12 / 31 / 2016</b>	Interest Rate <b>0</b> % (apr)	Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No
List All Endorsers or Guarantors (if any) to Loan Source				
1. Full Name (Last, First, Middle Initial)		Name of Employer		
Mailing Address		Occupation		
City State ZIP Code		Amount Guaranteed Outstanding		

**3. How should the committee show the forgiveness of a personal funds loan by the candidate?**

**Answer:**

**Report candidate forgiveness of the loan:** Show reporting on Schedule C for Line 13(a). The “Balance Outstanding at Close of This Period” should be \$0. (Do not include the forgiven loan balance into the total of “Cumulative Payment To Date,” since the money was not actually repaid.)

**For electronic filers:** Please include Memo Text with your report stating that the candidate forgave the loan.

**For all filers:** When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven. (Please note that this requirement applies to paper and electronic filers alike. Memo text at the end of an electronically filed report stating that the candidate forgave the loan will not be accepted in lieu of the letter.)

## Candidate Loan Forgiveness

- Written, signed letter from candidate
- Schedules B and C do not show payments
- Make sure loan ending balance is correct

# Scenario #4: Candidate Loan from Personal Funds

## Loan Forgiveness - Schedule C, Line 13(a)

<b>SCHEDULE C (FEC Form 3)</b>		PAGE <input type="text"/> OF <input type="text"/>	
<b>LOANS</b>		Use separate schedule(s) for each category of the Detailed Summary Page	
FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b			
NAME OF COMMITTEE (In Full) <b>Arthur Fonzarelli for Congress</b>			
LOAN SOURCE Full Name (Last, First, Middle Initial) <b>Arthur Fonzarelli [Personal Funds]</b>		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
Mailing Address <b>709 Main Street</b>			
City <b>Anytown</b>	State <b>US</b>	ZIP Code <b>12345</b>	
Original Amount of Loan <b>50,000.00</b>	Cumulative Payment To Date <b>5,000.00</b>	Balance Outstanding at Close of This Period <b>0.00</b>	
<b>TERMS</b>			
Date Incurred <b>01 / 10 / 2015</b>	Date Due <b>12 / 31 / 2016</b>	Interest Rate <b>0</b> % (apr)	Secured: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### 4. Key issues:

- If the candidate wants to be paid back, be sure to report the receipt as a loan on both Schedule A, Line 13(a) and on Schedule C as an outstanding obligation when the loan is incurred. The loan should be continuously disclosed on Schedule C on subsequent reports until the loan is paid off or forgiven.
- Do not forget loan terms. Terms of a loan from the candidate's personal funds (no lending institution involved) may be more flexible. If there are no terms, do not leave boxes blank, enter "none" or "n/a."
- Include notations on both Schedules A & C indicating "personal funds." When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.



## Candidate Loans >\$250K

Special rules for personal funds loans aggregating >\$250,000 for an election:

- ▣ The committee may use contributions made on/before election date to repay loan(s) amount: must do so within 20 days of the election.
- ▣ The committee may use contributions made after the election date to repay only up to \$250,000; the rest must be converted to a contribution from the candidate by the 21<sup>st</sup> day after the election.

### Repaying Candidate Loans Aggregating Over \$250,000 after an Election:

There are special rules concerning the repayment of personal loans from the candidate (including advances or candidate endorsed bank loans) that aggregate more than \$250,000 with respect to a given election. The following rules apply:

- The committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the applicable election; and
- The committee may use contributions to repay the candidate only up to \$250,000 from contributions made after the date of the applicable election.
- If the committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of \$250,000, then it must do so within 20 days of the election. During that time, the committee must treat the portion of candidate loans that exceed \$250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate (11 CFR 116.11(c), Advisory Opinion 2003-30).

## VI. FEC Resources

### FEC Resources

- ▣ Website: [www.fec.gov](http://www.fec.gov); see Reports Analysis FAQs at [fec.gov/rad/index.shtml](http://fec.gov/rad/index.shtml)
- ▣ Toll-free Information Line: (800) 424-9530
- ▣ Email questions to [info@fec.gov](mailto:info@fec.gov)
- ▣ Educational Outreach:
  - Conferences/Seminars  
(email: [conferences@fec.gov](mailto:conferences@fec.gov))
  - Roundtable Workshops & Webinars
  - E-Learning at [fec.gov/info/elearning.shtml](http://fec.gov/info/elearning.shtml)